



FREQUENTLY ASKED QUESTIONS ABOUT COMMUNITY ASSOCIATION MANAGEMENT FIRM LICENSES

Does Illinois require that Community Association Management Firms be Licensed?

Yes. Effective June 2, 2023, community association management firms engaging in the business of community association management in Illinois must be licensed. This requirement applies to all firms, regardless of when they were formed.

Specifically, the Community Association Manager Licensing and Disciplinary Act (225 ILCS 427/1 (“Act”)) requires that any person (meaning an individual, corporation, partnership, limited liability company, or other legal entity) holding themselves out as a community association management firm to any community association in this State, must first obtain a license to provide those services.

What is a Community Association Management Firm?

The Act defines “community association management firm” as a company, corporation, limited liability company, partnership, or other entity that engages in community association management services.”

What are “community association management services”?

“Community association management services” are defined in the Act, and apply to an individual who administers for compensation the financial, administrative, maintenance or other duties for a community association, including the following services:

- (A) collecting, controlling or disbursing funds of the community association or having the authority to do so;
- (B) preparing budgets or other financial documents for the community association;
- (C) assisting in the conduct of community association meetings;
- (D) maintaining association records;
- (E) administering association contracts or procuring goods and services in accordance with the declaration, bylaws, proprietary lease, declaration of covenants, or other governing document of the community association or at the direction of the board of managers; and
- (F) coordinating financial, administrative, maintenance, or other duties called for in the management contract, including individuals who are direct employees of the community association.

The term “community association manager” does not mean support staff, such as bookkeepers, administrative assistants, secretaries, property inspectors, or customer service representatives.



What if I am already a licensed real estate broker or have a licensed real estate brokerage entity?

Licensed real estate brokers and real estate brokerage entities may not perform community association management services, which are outside the scope of any activity permitted in connection with a license issued pursuant to the Real Estate License Act of 2000 (225 ILCS 454/). A community association management firm must be separately formed and licensed independent of any real estate broker or brokerage license. Similarly, a licensed real estate broker may not perform community association management services without first obtaining a Community Association Manager license.

How do we obtain a community association management firm license?

Community association management firms must be authorized to conduct business in the State of Illinois, apply to the Department on forms provided by the Department, and pay a non-refundable fee in the amount of \$650.00. A person applying for a community association management firm license must also provide evidence that the community association management firm has a licensed and designated community association manager. The Administrative Rule promulgated pursuant to the Act sets forth the specific information required in connection with an application for a Community Association Management Firm license at 68 Ill. Adm. Code 1445.35.

What is a designated community association manager?

A designated community association manager must be a licensed community association manager who: (1) has an ownership interest in or is employed by a community association management firm to act as a controlling person; and (2) is the authorized signatory or has delegated signing authority for the firm on community association accounts; and (3) supervises, manages, and is responsible for the firm's community association manager activities. A licensed community association manager may only be the designated community association manager for one community association management firm.

What are the penalties for not having a Community Association Management Firm license?

The Act provides that, in addition to any other penalty provided by law, any person, entity or other business who practices, offers to practice, attempts to practice, or holds oneself out to practice as a community association management firm or provides services as a community association management firm to any community association in this State without being licensed or, shall, after notice and a hearing, and in addition to any other penalty provided by law, pay a civil penalty to the Department in an amount not to exceed \$10,000 for each offense, as determined by the Department.

How often must I renew my Community Association Management Firm license?



Community Association Management Firm licenses have a two-year term. Every Community Association Management Firm license shall expire on August 31 of odd-numbered years. Licenses first issued in 2023 will expire August 31, 2025. The renewal fee for a Community Association Management Firm license is \$650.00 for a two-year term.

Disclaimer: The above questions and answers are provided for general information only and may not be completely accurate in every circumstance, do not purport to be legal advice, and are not intended to be legally binding on the Department in a particular case. Questions involving interpretation of the law and your legal rights and obligations should be addressed to your lawyer.